

BRIAN G. ARNOLD (CA 186007)  
barnold@thompsoncoburn.com  
DAVID B. JINKINS (MO 49254) (*pro hac vice* pending)  
djinkins@thompsoncoburn.com  
MATTHEW A. BRAUNEL (MO 50711) (*pro hac vice* pending)  
mbraunel@thompsoncoburn.com  
ALAN H. NORMAN (MO 38555) (*pro hac vice* pending)  
anorman@thompsoncoburn.com  
STEVEN E. GARLOCK (MO 38346) (*pro hac vice* pending)  
sgarlock@thompsoncoburn.com  
ROBERT D. GERLACH (MO 67110) (*pro hac vice* pending)  
rgerlach@thompsoncoburn.com  
THOMPSON COBURN LLP  
2029 Century Park E #1900  
Los Angeles, CA 90067

**CENTRAL DISTRICT OF CALIFORNIA  
UNITED STATES DISTRICT COURT  
WESTERN DIVISION**

MOBILE TECH., INC. d/b/a  
MOBILE TECHNOLOGIES INC.  
and MTI

Plaintiff,

v.

INVUE SECURITY PRODUCTS  
INC.

Defendant.

Case No.: 2:17-cv-7491

**COMPLAINT FOR INJUNCTION  
AND DAMAGES FOR:**

- (1) PATENT INFRINGEMENT
- (2) FEDERAL UNFAIR  
COMPETITION (LANHAM ACT)
- (3) VIOLATION OF CALIFORNIA  
CALIFORNIA BUSINESS AND  
PROFESSION CODE §§ 17200 ET  
SEQ. AND 17500

**DEMAND FOR JURY TRIAL**

1 Plaintiff Mobile Tech, Inc. (“MTI”) states as follows for its Complaint of  
2 Patent Infringement, Federal Unfair Competition, and Violation of California  
3 Business and Professions Code §§ 17200 *et seq.* and 17500, against Defendant  
4 InVue Security Products Inc. (“InVue”).

### 5 **NATURE OF THE ACTION**

6 1. For more than 38 years, MTI has been a global leader in device display  
7 technologies for consumer electronics. MTI has developed numerous solutions that  
8 deliver the highest level of merchandising security for consumer electronics. As a  
9 leading innovator in this area, MTI has received more than 15 patents worldwide  
10 for its mobile device display technologies, including U.S. Pat. No. 9,786,140 (the  
11 ’140 Patent). In addition, MTI has more than 40 pending patent applications.  
12 MTI’s investment in innovation has contributed to the success of its products.

13 2. InVue copied MTI’s innovative technology rather than independently  
14 developing its products. InVue has released multiple product lines infringing the  
15 ’140 Patent and copying technology disclosed in applications to which the ’140  
16 Patent claims priority. MTI files this suit to stop InVue’s continued infringement.

17 3. MTI is further filing this suit to stop the false and misleading  
18 representations that InVue has made, and continues to make, in its marketing and  
19 other materials about the quality, nature, and characteristics of MTI’s products.  
20 InVue’s false and misleading representations disparage MTI’s products in an  
21 attempt to gain an unfair competitive advantage in the marketplace.

### 22 **PARTIES**

23 4. MTI is a corporation existing under the laws of the state of Indiana, with  
24 a place of business at 1050 NE 67th Ave., Hillsboro, OR 97124.

25 5. On information and belief, InVue is a corporation existing under the laws  
26 of the State of Ohio, with an office at 8840 Flower Rd # 110, Rancho Cucamonga,  
27 CA 91730. On information and belief, InVue’s products are manufactured outside  
28

1 of the United States, shipped into ports in the United States, including at least the  
2 Port of Los Angeles, and subsequently sent to Rancho Cucamonga, CA. On  
3 information and belief, InVue has been registered to do business in the State of  
4 California since February 25, 1999. InVue has therefore purposefully availed itself  
5 of the privilege of conducting business within the State of California and has  
6 therefore established sufficient minimum contacts with the State.

### 7 **JURISDICTION AND VENUE**

8 6. This Court has subject matter jurisdiction under 28 U.S.C. § 1331 (federal  
9 question), 28 U.S.C. § 1338(a) (any Act of Congress relating to patents), and 15  
10 U.S.C. 1121(a) (original jurisdiction for all actions arising under Chapter 15 of  
11 United States Code). This Court has supplemental jurisdiction over the claims  
12 arising under California state law pursuant to 28 U.S.C. § 1367.

13 7. This Court has personal jurisdiction over InVue because it has  
14 committed, and continues to commit, acts of infringement that violate 35 U.S.C. §  
15 271 by importing infringing products into the State of California and by placing  
16 infringing products into the stream of commerce with knowledge that these  
17 infringing products will be sold throughout the United States, including in the State  
18 of California and in this District. Moreover, as discussed above, on information  
19 and belief, InVue has purposefully availed itself of the privilege of conducting  
20 business within the State of California and has therefore established sufficient  
21 minimum contacts with the State.

22 8. Venue is proper within this District for MTI's claim of patent  
23 infringement under 28 U.S.C. § 1400(b) (special patent venue statute). InVue has  
24 an office in Rancho Cucamonga, CA and therefore maintains a "regular and  
25 established place of business" in this District. Additionally, on information and  
26 belief, InVue has committed, and continues to commit, acts of infringement in this  
27 District.

9. Venue is proper within this District for MTI's claim of unfair competition under 28 U.S.C. § 1391 (b)(1). InVue resides within this District under 28 U.S.C. § 1391(c)(2) because it is subject to the Court's personal jurisdiction, as discussed above.

## BACKGROUND

## MTI'S UTILITY PATENTS

10. MTI has developed cutting-edge technologies for mobile device display and merchandising security solutions. MTI's products are used to provide security for consumer electronics, such as mobile devices and tablets, being displayed at retail stores. MTI's products enable a potential consumer to interact with a consumer electronic while still providing security, as shown in the image below:



11. MTI protects its cutting-edge technologies for mobile device display and merchandising security solutions through a broad range of intellectual property rights, including United States patents. Among the patents MTI has been awarded is U.S. Pat. No. 9,786,140 (the '140 Patent), entitled "Display for hand-held electronics." A true and accurate copy of the '140 Patent is attached as Exhibit A.

1           12. The '140 Patent claims an invention that advanced the field of mobile  
2 device display technologies. Generally speaking, the '140 Patent relates to an  
3 apparatus for use in mounting an electronic device, for example, a cell phone,  
4 camera, or tablet, to a display. A puck assembly is adapted to receive the  
5 electronic device and interact with a base assembly. The apparatus further includes  
6 a tether assembly that is adapted to connect the puck assembly with the base  
7 assembly. The tether assembly includes a portion that is adapted to transmit an  
8 optical signal. An electrical connection is formed when the puck assembly engages  
9 the base assembly, and the electrical connection is broken when the puck assembly  
10 is lifted from the base assembly.

11           13. Independent Claim 26 of the '140 Patent is a representative claim and  
12 recites as follows:

13           A cable management apparatus for use in mounting an electronic  
14 device to a display, the apparatus comprising:

15                 a puck assembly adapted to receive an electronic device;

16                 a base assembly; and

17                 a tether assembly adapted to connect the puck assembly with  
18 the base assembly, wherein the tether assembly comprises a portion  
19 that is adapted to transmit an optical signal;

20                 wherein the puck assembly is adapted to be moveable between  
21 (1) a rest position in which the puck assembly engages with the base  
22 assembly and (2) a lift position in which the puck assembly  
23 disengages from the base assembly while the puck assembly and base  
24 assembly remain connected to the tether assembly;

25                 wherein the base assembly further comprises (1) base assembly  
26 circuitry configured to receive power from a power source, and (2) a  
27 base assembly electrical contact connected to the base assembly  
28 circuitry;

                  wherein the puck assembly comprises (1) a puck assembly  
electrical contact, (2) puck assembly circuitry connected to the puck  
assembly electrical contact, and (3) a connector connected to the puck  
assembly circuitry and, a power cable that is connectable to a power  
input of the electronic device;

                  wherein the base assembly contact and the puck assembly  
contact are adapted to contact each other when the puck assembly is in  
the rest position to form an electrical connection between the puck  
assembly circuitry and the base assembly circuitry;

1 wherein the puck assembly circuitry is configured to, when the  
2 puck assembly is in the rest position, draw power from the power  
3 source through the electrical connection and provide the drawn power  
4 to the connector for charging the electronic device via the power  
5 cable; and

6 wherein the base assembly contact and the puck assembly  
7 contact are adapted to lose contact with each other when the puck  
8 assembly is in the lift position to thereby break the electrical  
9 connection.

10 14. MTI owns all rights, title, and interest in the '140 Patent. The '140  
11 Patent is valid, enforceable, and was duly issued in full compliance with Title 35 of  
12 the United States Code.

### 13 **INVUE'S INFRINGING PRODUCTS**

14 15. InVue elected to copy MTI's patented technology claimed in the '140  
15 Patent rather than innovate and develop its own technology for mobile device  
16 display and merchandising security solutions. InVue has released several  
17 infringing products, including, but not limited to, the POD Series 1050, the POD  
18 Series 1060, and the POD Series 1560.

19 16. InVue has not obtained permission from MTI to manufacture, offer to  
20 sell, sell, use in the United States, or import into the United States any product or  
21 method covered by the '140 Patent.

22 17. On information and belief, InVue makes, uses, offers to sell, sells and/or  
23 imports into the United States the POD Series 1060. The POD Series 1060  
24 infringes at least Claim 26. An example of the POD Series 1060 is shown below:  
25  
26  
27  
28



18. As an example, the POD Series 1060 infringes at least Claim 26 because it is an apparatus for use in mounting an electronic device, such as a cell phone, camera, or tablet, to a display. As seen in the image above, the POD Series 1060 includes a puck assembly that receives the electronic device and a base assembly. The POD Series 1060 further includes a tether assembly connecting the puck assembly with the base assembly, with the tether assembly comprising a portion that transmits an optical signal. The puck assembly of the POD Series 1060 is capable of being moved between a rest position in which the puck assembly engages with the base assembly and a lift position in which the puck assembly disengages from the base assembly while the puck assembly and base assembly remain connected to the tether assembly. The base assembly of the POD Series 1060 includes base assembly circuitry that receives power from a power source and a base assembly electrical contact connected to the base assembly circuitry. The puck assembly of the POD Series 1060 comprises a puck assembly electrical contact, puck assembly circuitry connected to the puck assembly electrical contact, and a connector connected to the puck assembly circuitry, and a power cable that is



1 connectable to a power input of the electrical device. The base assembly contact  
2 and the puck assembly contact of the POD Series 1060 contact each other when the  
3 puck assembly is in the rest position to form an electrical connection between the  
4 puck assembly circuitry and base assembly circuitry, and the puck assembly  
5 circuitry draws power from the power source through the electrical connection and  
6 provides the drawn power to the connector for charging the electronic device via  
7 the power cable when the puck assembly is in the rest position. The base assembly  
8 contact and the puck assembly contact of the POD Series 1060 lose contact with  
9 each other when the puck assembly is in the lift position to thereby break the  
10 electrical connection.

11 19. On information and belief, InVue makes, uses, offers to sell, sells and/or  
12 imports into the United States the POD Series 1560. The POD Series 1560  
13 infringes at least Claim 26. An example of the POD Series 1560 is shown below:



26 20. As an example, the POD Series 1560 infringes at least Claim 26 because  
27 it is an apparatus for use in mounting an electronic device, such as a cell phone,  
28



1 camera, or tablet, to a display. As seen in the image above, the POD Series 1560  
2 includes a puck assembly that receives the electronic device and a base assembly.  
3 The POD Series 1560 further includes a tether assembly connecting the puck  
4 assembly with the base assembly, with the tether assembly comprising a portion  
5 that transmits an optical signal. The puck assembly of the POD Series 1560 is  
6 capable of being moved between a rest position in which the puck assembly  
7 engages with the base assembly and a lift position in which the puck assembly  
8 disengages from the base assembly while the puck assembly and base assembly  
9 remain connected to the tether assembly. The base assembly of the POD Series  
10 1560 includes base assembly circuitry configured to receive power from a power  
11 source and a base assembly electrical contact connected to the base assembly  
12 circuitry. The puck assembly of the POD Series 1560 comprises a puck assembly  
13 electrical contact, puck assembly circuitry connected to the puck assembly  
14 electrical contact, and a connector connected to the puck assembly circuitry, and a  
15 power cable that is connectable to a power input of the electrical device. The base  
16 assembly contact and the puck assembly contact of the POD Series 1560 contact  
17 each other when the puck assembly is in the rest position to form an electrical  
18 connection between the puck assembly circuitry and base assembly circuitry, and  
19 the puck assembly circuitry draws power from the power source through the  
20 electrical connection and provides the drawn power to the connector for charging  
21 the electronic device via the power cable when the puck assembly is in the rest  
22 position. The base assembly contact and the puck assembly contact of the POD  
23 Series 1560 lose contact with each other when the puck assembly is in the lift  
24 position to thereby break the electrical connection.

25 21. On information and belief, InVue makes, uses, offers to sell, sells and/or  
26 imports into the United States the POD Series 1050. On information and belief, the  
27  
28

1 POD Series 1050 infringes at least Claim 26. An example of the POD Series 1050  
2 is shown below:



3  
4  
5  
6  
7  
8  
9  
10  
11 22. As an example, on information and belief, the POD Series 1050  
12 infringes at least Claim 26 because it is an apparatus for use in mounting an  
13 electronic device, such as a cell phone, camera, or tablet, to a display. As seen in  
14 the image above, the POD Series 1050 includes a puck assembly that receives the  
15 electronic device and a base assembly. On information and belief, the POD Series  
16 1050 further includes a tether assembly connecting the puck assembly with the  
17 base assembly, with the tether assembly comprising a portion that transmits an  
18 optical signal. The puck assembly of the POD Series 1050 is capable of being  
19 moved between a rest position in which the puck assembly engages with the base  
20 assembly and a lift position in which the puck assembly disengages from the base  
21 assembly while the puck assembly and base assembly remain connected to the  
22 tether assembly. On information and belief, the base assembly of the POD Series  
23 1050 includes base assembly circuitry configured to receive power from a power  
24 source and a base assembly electrical contact connected to the base assembly  
25 circuitry. On information and belief, the puck assembly of the POD Series 1050  
26 comprises a puck assembly electrical contact, puck assembly circuitry connected to  
27 the puck assembly electrical contact, and a connector connected to the puck  
28

1 assembly circuitry, and a power cable that is connectable to a power input of the  
2 electrical device. On information and belief, the base assembly contact and the  
3 puck assembly contact of the POD Series 1050 contact each other when the puck  
4 assembly is in the rest position to form an electrical connection between the puck  
5 assembly circuitry and base assembly circuitry, and the puck assembly circuitry  
6 draws power from the power source through the electrical connection and provide  
7 the drawn power to the connector for charging the electronic device via the power  
8 cable when the puck assembly is in the rest position. On information and belief,  
9 the base assembly contact and the puck assembly contact of the POD Series 1050  
10 lose contact with each other when the puck assembly is in the lift position to  
11 thereby break the electrical connection.

#### 12 **INVUE'S UNFAIR COMPETITION TO MISLEAD CUSTOMERS**

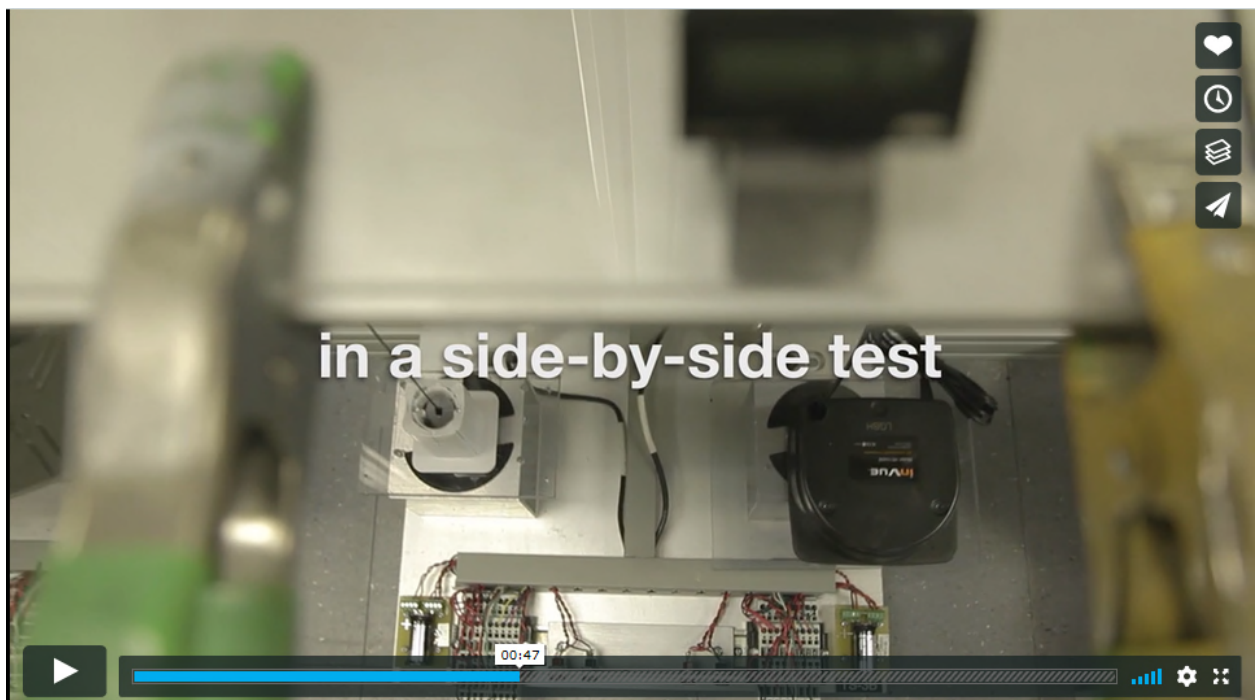
13 23. MTI and InVue are in direct competition with each other, competing in  
14 the areas of mobile device display technologies and merchandising security for  
15 consumer electronics.

16 24. InVue has made, and continues to make, false and misleading  
17 representations in marketing and other materials in connection with advertising its  
18 products. InVue's false and misleading representations are in an effort to confuse  
19 actual and potential customers and compete unfairly with MTI in the marketplace.

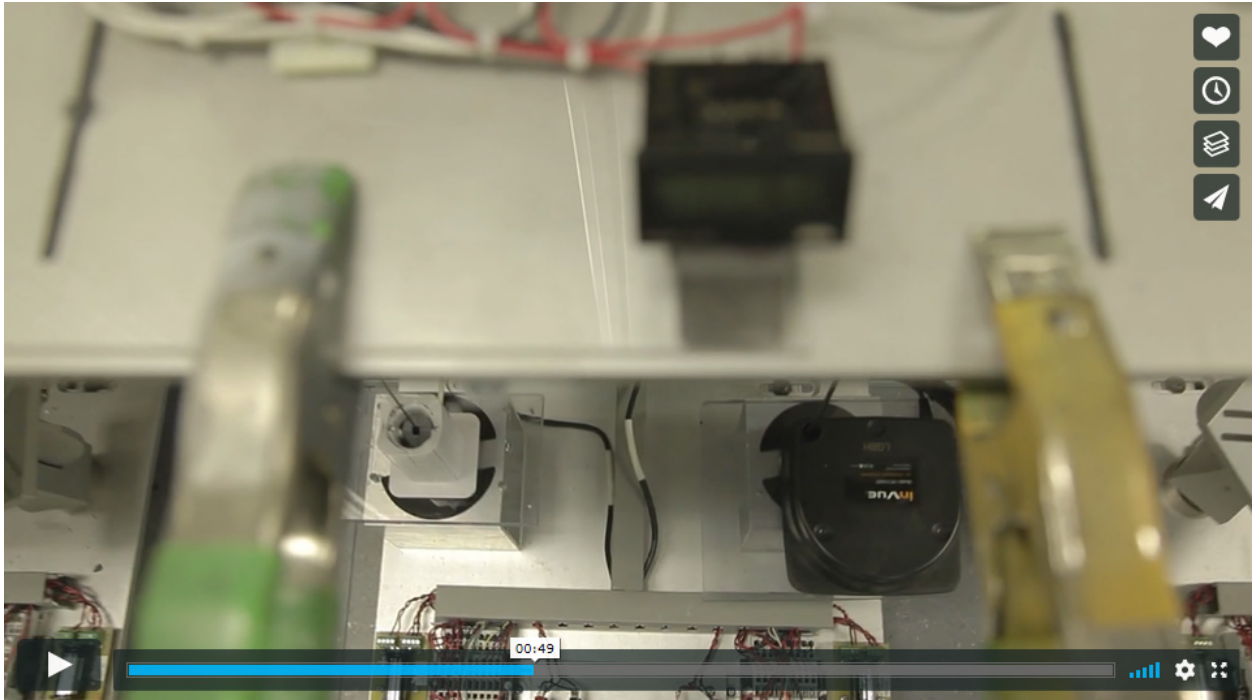
20 25. In particular, InVue has released at least one marketing video that makes  
21 false and misleading representations about the nature, quality, and characteristics of  
22 MTI's products. During the marketing video entitled "InVue Security – Cost of  
23 Ownership," which was available on and before October 10, 2017 and currently  
24 still is available for MTI's customers and potential customers to view online at  
25 <https://vimeo.com/134841888>, the narrator states the following from timestamp  
26 00:45 to timestamp 1:09 of the video:  
27  
28

1 In a side-by-side test of a competitor's recoiler and ours, the competitor's  
2 recoiler failed after just six months. The InVue recoiler continued for over  
60,000 pulls. That's over three years of reliable service.

3 While making these statements, the sequence illustrated by Figures 1-7 below is  
4 being shown in the video. In a blatant effort to confuse, InVue briefly swaps the  
5 "competitor's" product (which is MTI's Freedom Micro<sup>TM</sup>) with some other  
6 product. This can be seen by comparing, for example, Figures 1-3 (which depicts  
7 MTI's Freedom Micro<sup>TM</sup>) with Figure 4 (which depicts some other product not  
8 manufactured by MTI).



21 **Figure 1: Screenshot of Video Timestamp 00:47**

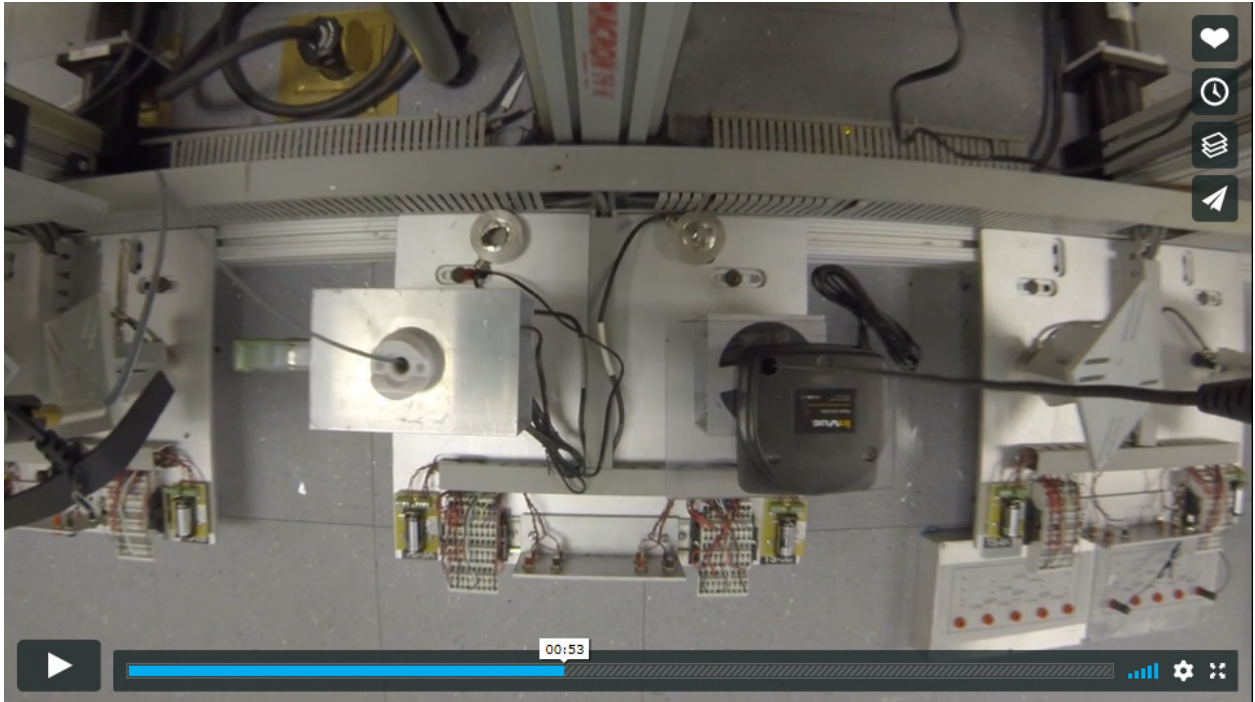


**Figure 2: Screenshot of Video Timestamp 00:49**



**Figure 3: Screenshot of Video Timestamp 00:51**

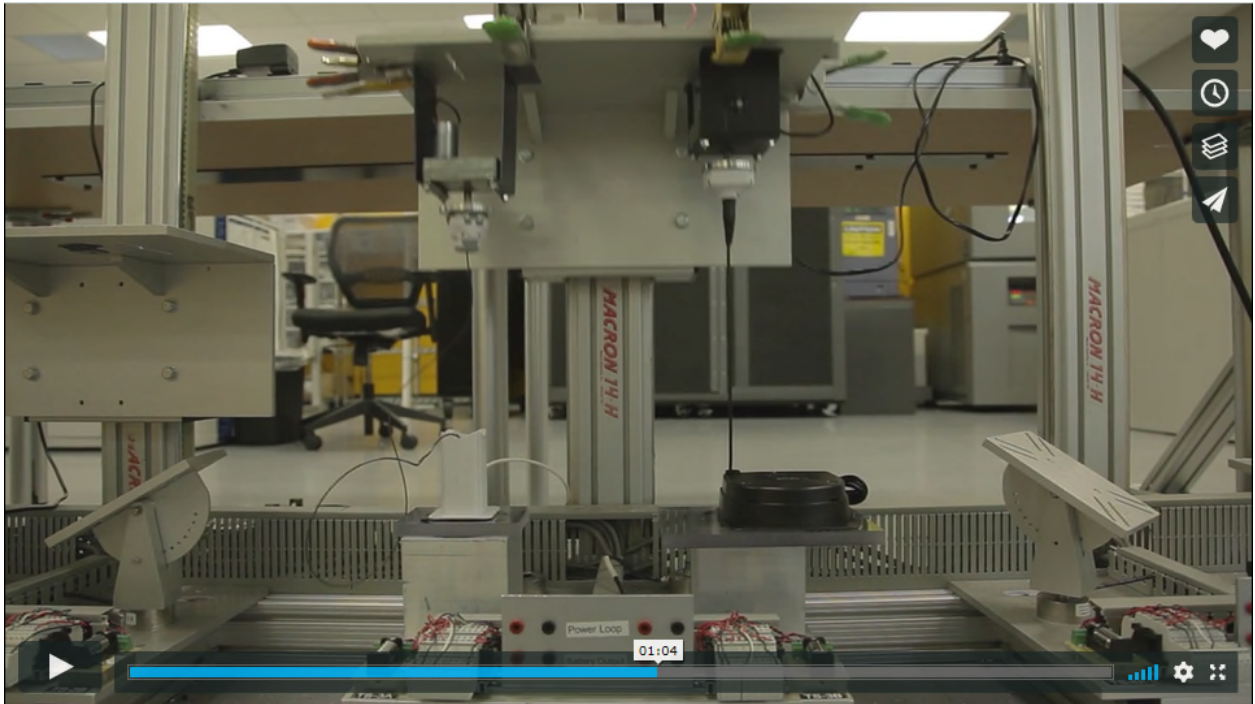




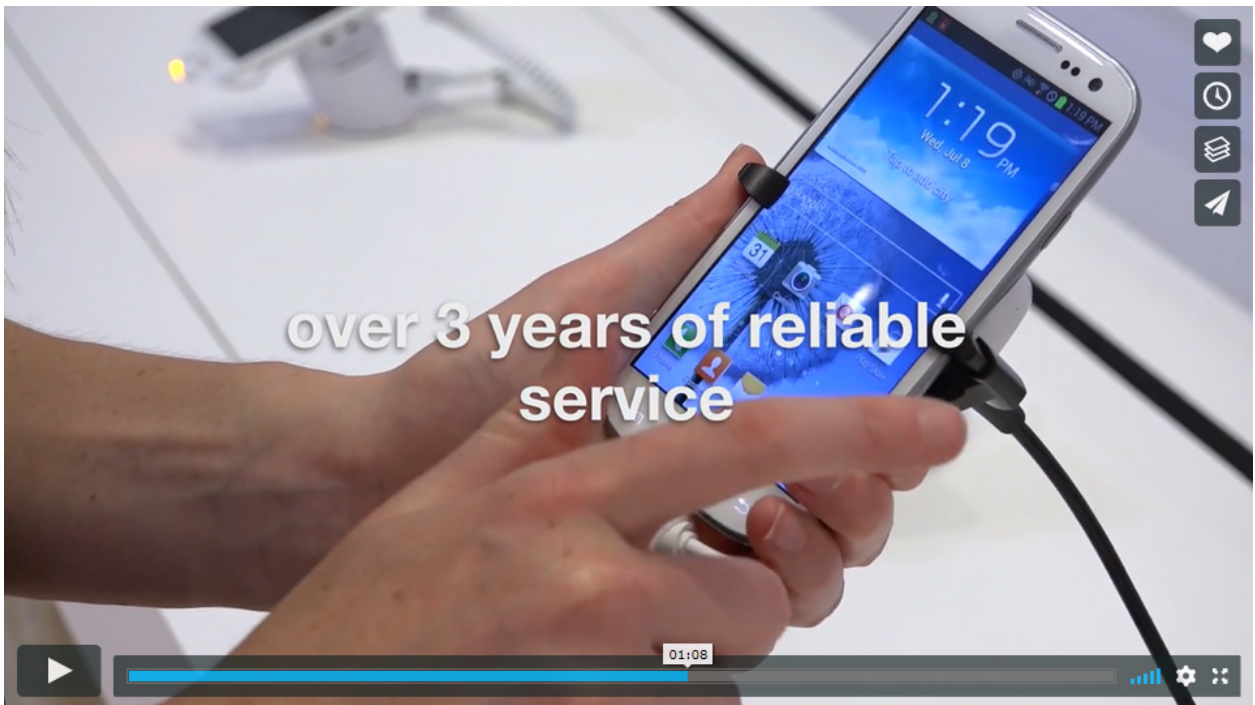
**Figure 4: Screenshot of Video Timestamp 00:53**



**Figure 5: Screenshot of Video Timestamp 00:57**



**Figure 6: Screenshot of Video Timestamp 01:04**



**Figure 7: Screenshot of Video Timestamp 1:08**

26. MTI's Freedom Micro™ has a unique appearance that is readily recognized in the areas of mobile device display technologies and merchandising

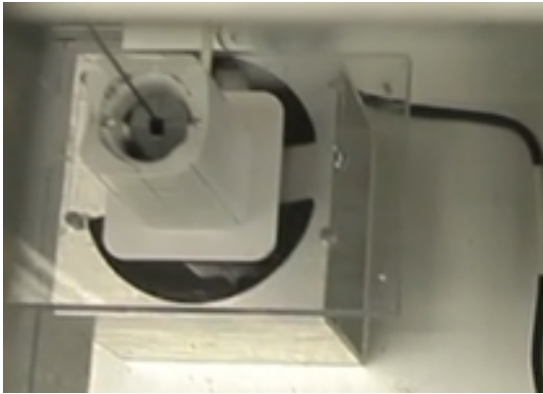


1 security for consumer electronics. An image of MTI's Freedom Micro™ is shown  
2 below:

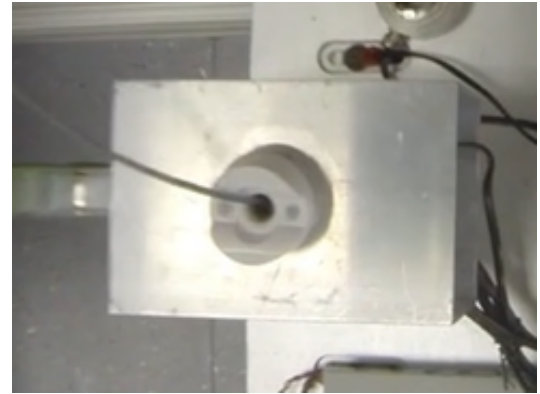


14 27. During the video sequence displaying the purported “side-by-side test”  
15 run between MTI's Freedom Micro™ and InVue's product, InVue falsely  
16 represents the nature, quality, and characteristics of MTI's Freedom Micro™.  
17 Notably, InVue swaps out MTI's Freedom Micro™ with some other product for  
18 only a few seconds (timestamp 00:52 to timestamp 00:54) when showing the  
19 alleged failure of the recoiler of the MTI Freedom Micro™.

20 28. While InVue's action of swapping the MTI Freedom Micro™ with  
21 some other product is difficult to detect when watching the video at regular speed,  
22 the swap can be readily identified when comparing the screenshot shown in Figure  
23 2 with the screenshot shown in Figure 4. In the below comparison, Figures 2 and 4  
24 have been cropped and enlarged to focus on the product appearing on the left:

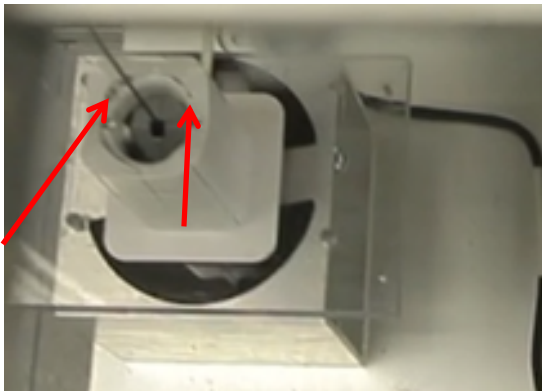


Screenshot before failure displaying  
MTI's Freedom Micro™  
(from Figure 2 above)

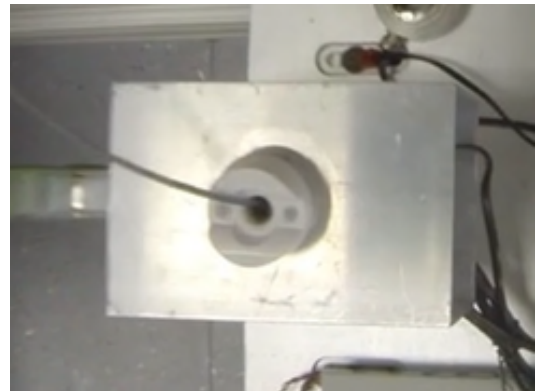


Screenshot at failure displaying  
some other product  
(from Figure 4 above)

29. There are several notable differences between MTI's Freedom Micro™ and the other product. For example, as illustrated by the red arrows below, MTI's Freedom Micro™ has silver electrical contacts while the other product does not:

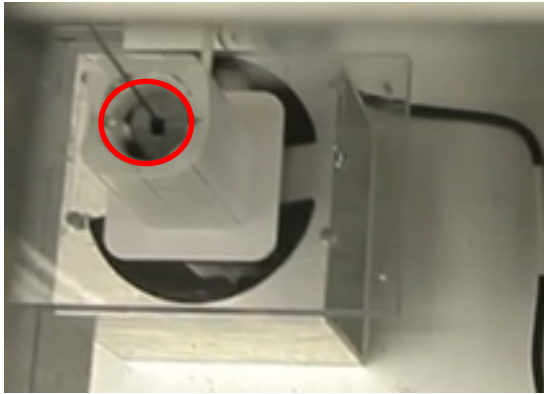


Screenshot before failure displaying  
MTI's Freedom Micro™  
(from Figure 2 above)

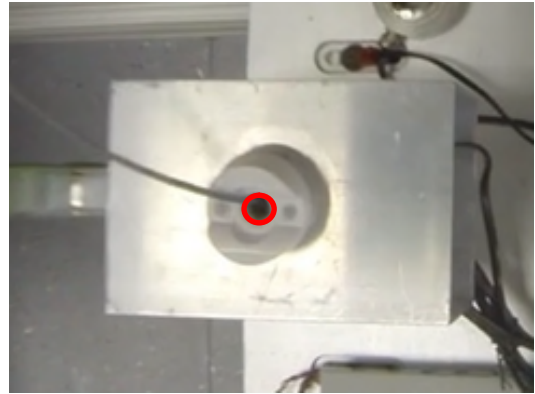


Screenshot at failure displaying  
some other product  
(from Figure 4 above)

30. Additionally, as illustrated by the red circles below, MTI's Freedom Micro™ has a large central opening that enables the gray recoiler housing located within the post to be seen, while the other product has a smaller central opening:

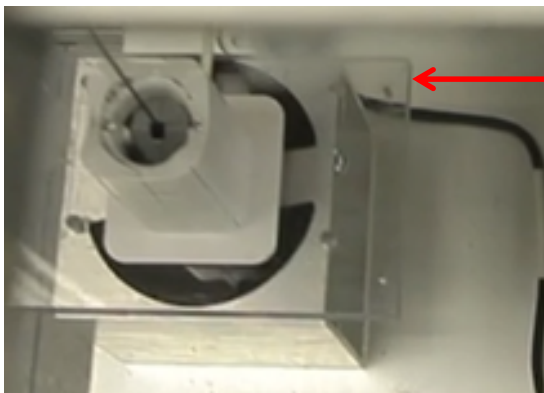


Screenshot before failure displaying  
MTI's Freedom Micro™  
(from Figure 2 above)

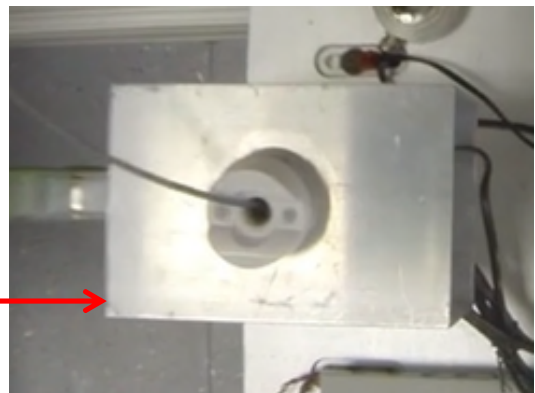


Screenshot at failure displaying  
some other product  
(from Figure 4 above)

31. In addition, as illustrated by the red arrows in the images below, the base plate that MTI's Freedom Micro™ is sitting on for the alleged "side-by-side test" has a different design than the base plate of the other product:

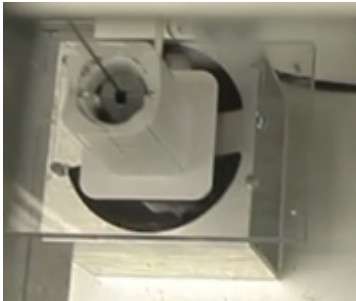


Screenshot before failure displaying  
MTI's Freedom Micro™  
(from Figure 2 above)

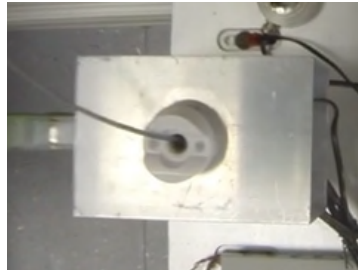


Screenshot at failure displaying  
some other product  
(from Figure 4 above)

32. After showing the recoiler fail (which occurs from timestamp 00:52 to timestamp 00:54), InVue inserts MTI's Freedom Micro™ back into the video, as shown in the comparison below:



Screenshot before failure  
displaying MTI's Freedom  
Micro™  
(from Figure 2 above)



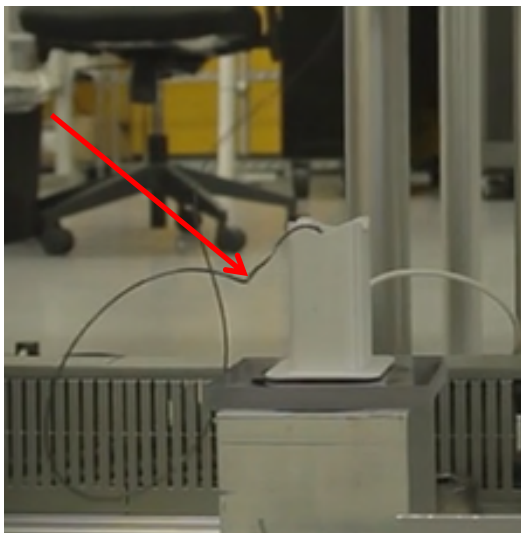
Screenshot at failure  
displaying some other  
product  
(from Figure 4 above)



Screenshot after failure  
displaying MTI's  
Freedom Micro™  
(from Figure 6 above)

33. As can be seen above, MTI's Freedom Micro™ appears in Figure 2 and Figure 6, but not in Figure 4. In other words, the video displays MTI's Freedom Micro™ before and after the alleged failure of the recoiler, but not while the recoiler is actually failing. InVue swapped out MTI's Freedom Micro™ with another product (whose color also happens to be white) for the brief time period when the recoiler itself fails (timestamp 00:52 to timestamp 00:54).

34. On information and belief, InVue intentionally damaged MTI's Freedom Micro™ recoiler cable with some tool (*e.g.*, pliers) before placing it back into the video after timestamp 00:54. On information and belief, InVue intentionally damaged MTI's Freedom Micro™ recoiler cable to make it appear as though it was the same cable that failed during timestamp 00:52 to timestamp 00:54 of the video. On information and belief, the red arrow in the image below indicates where InVue intentionally damaged MTI's Freedom Micro™ recoiler cable:



35. On information and belief, InVue's claim that its product outperformed MTI's Freedom Micro™ in a "side-by-side test" is a literal falsity. Such is evidenced by the fact that InVue inconspicuously swaps out MTI's Freedom Micro™ for another product for only a brief time period to allegedly show when MTI's Freedom Micro™ failed. Moreover, InVue provides no support or other evidence to establish that it even conducted a side-by-side test between its product and MTI's Freedom Micro™.

36. Accordingly, InVue has made, and continues to make, false and misleading statements in an effort to mislead actual and potential customers of InVue (who are also potential customers or actual customers of MTI) in an effort to divert business away from MTI to InVue.

37. InVue's statements have a tendency to deceive, and on information and belief have actually deceived, a substantial segment of the consuming public. Such deception is material and likely to influence purchasing decisions.

38. InVue has caused its falsely advertised goods to be advertised and/or sold throughout the United States, including in California and this District. On information and belief, MTI has been injured by InVue's scheme to intentionally

1 misrepresent the nature, quality, and characteristics of MTI's Freedom Micro™ to  
2 divert business away from MTI to InVue.

3 **FIRST CLAIM FOR RELIEF**

4 **(Direct Infringement of the '140 Patent)**

5 39. MTI fully incorporates by reference, as if set forth fully herein, the  
6 preceding paragraphs of this Complaint.

7 40. On information and belief, InVue has directly infringed and continues to  
8 directly infringe one or more claims of the '140 Patent, including at least Claim 26,  
9 under one or more subsections of 35 U.S.C. § 271 by making, using, selling, and/or  
10 offering to sell in the United States, and/or importing into the United States one or  
11 more of the infringing products identified in this Complaint.

12 41. On information and belief, InVue has gained profits by virtue of its  
13 direct infringement of the '140 Patent.

14 42. MTI has sustained damages as a direct and proximate result of InVue's  
15 direct infringement of the '140 Patent.

16 43. InVue's direct infringement of the '140 Patent has caused and is causing  
17 financial damages to MTI, for example, lost sales and revenue caused by InVue's  
18 sales of the infringing products. InVue's direct infringement of the '140 Patent  
19 irreparably damages MTI, including, for example, avoiding MTI's right to exclude  
20 others from making, using, selling, or offering to sell in the United States or  
21 importing into the United States products embodying the invention claimed in the  
22 '140 Patent.

23 44. InVue's direct infringement of the '140 Patent will continue unless  
24 enjoined by the Court under 35 U.S.C. § 283 and/or the equitable powers of the  
25 Court.



## **SECOND CLAIM FOR RELIEF**

**(Contributory Infringement of the '140 Patent)**

45. MTI fully incorporates by reference, as if set forth fully herein, the preceding paragraphs of this Complaint.

46. At least as of the filing of this Complaint, InVue knew of the '140 Patent.

47. InVue sells and continues to sell the infringing products to its customers (e.g., an electronics store retailer or a wireless carrier storefront) with the intent that its customers will use and operate the infringing products in the United States in a manner that infringes the '140 Patent.

48. InVue’s infringing products are configured only for infringing use of the ’140 Patent. For example, when InVue’s infringing products are received and installed by a customer (*e.g.*, an electronics store retailer or a wireless carrier storefront), at least Claim 26 of the ’140 Patent is infringed.

49. InVue's infringing products are not staple articles of commerce.

50. InVue's infringing products are not suitable for substantial non-infringing use.

51. InVue's infringing products are especially made or adapted for use in an infringement of the '140 Patent.

52. The use of InVue's infringing products by InVue's customers (for example, after receipt from InVue and setup at an electronics store retailer or a wireless carrier storefront) constitutes direct infringement of the '140 Patent.

53. On information and belief, InVue knows that the infringing products are not staple articles of commerce, are not suitable for substantial non-infringing use, and are especially made or adapted for use in a manner that infringes MTI's patent rights associated with '140 Patent.



1           54. InVue's actions constitute contributory infringement of the '140 Patent.  
2 InVue's contributory infringement of the '140 Patent causes financial damages to  
3 MTI, including, for example, lost sales and revenue caused by InVue's sales of the  
4 infringing products.

5           55. InVue's contributory infringement of the '140 Patent irreparably  
6 damages MTI, including, for example, avoiding MTI's right to exclude others from  
7 making, using, selling, or offering to sell in the United States or importing into the  
8 United States products embodying the invention patented in the '140 Patent.

9           56. InVue's contributory infringement of the '140 Patent will continue  
10 unless enjoined by the Court under 35 U.S.C. § 283 and/or the equitable powers of  
11 the Court.

12           57. InVue's infringing products are especially made or adapted for use in an  
13 infringement of the '140 Patent.

14                           **THIRD CLAIM FOR RELIEF**

15                           **(Induced Infringement of the '140 Patent)**

16           58. MTI fully incorporates by reference, as if set forth fully herein, the  
17 preceding paragraphs of this Complaint.

18           59. At least as of the filing of this Complaint, InVue knew of the '140  
19 Patent.

20           60. InVue sells and continues to sell the infringing products to its customers  
21 (*e.g.*, an electronics store retailer or a wireless carrier storefront) with the intent that  
22 its customers will use and operate the infringing products in the United States in a  
23 manner that infringes the '140 Patent.

24           61. The infringing products are configured only for infringing use of the  
25 '140 Patent. For example, whenever the infringing products are received and  
26 installed by a customer (*e.g.*, an electronics store retailer or a wireless carrier  
27 storefront), at least Claim 26 of the '140 Patent is infringed.

1           62. InVue provides its customers in the United States with instructions  
2 regarding the infringing use and operation of the infringing products.

3           63. On information and belief, InVue trains its customers in the United  
4 States in the infringing use and operation of the infringing products.

5           64. On information and belief, InVue has observed its customers using and  
6 operating one or more of the products identified in this Complaint in an infringing  
7 manner.

8           65. On information and belief, InVue is aware or should have known that  
9 use and operation of one or more of the products identified in this Complaint in the  
10 United States by InVue or its customers would directly infringe the '140 Patent.

11           66. InVue's actions to aid and abet its customers to directly infringe the  
12 '140 Patent with knowledge that use of one or more of the products identified in  
13 this Complaint in the United States would directly infringe the '140 Patent  
14 constitutes induced infringement.

15           67. InVue's infringement by inducement of the '140 Patent causes financial  
16 damages to MTI, including for example, lost sales and revenue caused by InVue's  
17 sales of the infringing products identified in this Complaint.

18           68. InVue's induced infringement of the '140 Patent irreparably damages  
19 MTI, including, for example, avoiding MTI's right to exclude others from making,  
20 using, selling, or offering to sell products in the United States or importing into the  
21 United States products embodying the invention patented in the '140 Patent.

22           69. InVue's induced infringement of the '140 Patent will continue unless  
23 enjoined by the Court under 35 U.S.C. § 283 and/or the equitable powers of the  
24 Court.

1 **FOURTH CLAIM FOR RELIEF**

2 **(Federal Unfair Competition)**

3 70. MTI fully incorporates by reference, as if set forth fully herein, the  
4 preceding paragraphs of this Complaint.

5 71. InVue's marketing video entitled "InVue Security – Cost of Ownership"  
6 is literally false for the reasons discussed above.

7 72. If not found to be literally false, InVue's marketing video entitled  
8 "InVue Security – Cost of Ownership" is at least misleading such that a substantial  
9 segment of the relevant customer base would be actually mistaken, deceived, or  
10 confused, and likely to be mistaken, deceived, or confused, about the nature,  
11 quality, and characteristics of MTI's Freedom Micro™ product.

12 73. On information and belief, the amount of time a recoiler can be used in a  
13 retail store before failure (*i.e.*, the number of pulls a recoiler is capable of  
14 withstanding before failure) is material to the purchasing decision of a substantial  
15 segment of potential customers seeking to purchase mobile device display  
16 technologies and/or merchandising security for electronic devices.

17 74. On information and belief, a substantial segment of customers is  
18 sensitive to the amount of time a recoiler can be used in a retail store before failure.

19 75. On information and belief, InVue's false representations in the video  
20 entitled "InVue Security – Cost of Ownership" influenced the purchasing decision  
21 of a substantial number of relevant customers.

22 76. On information and belief, InVue's false representations regarding the  
23 nature, quality, and characteristics of MTI's products, including the Freedom  
24 Micro™, were intentionally and/or willfully designed to unfairly compete and  
25 make sales that otherwise would not have been made.

26 77. InVue's false representations detailed above were made, and continue to  
27 be made, in commercial advertising or promotion. The false representations (1)  
28

1 constitute commercial speech, (2) are made and authorized by InVue in an attempt  
2 to unfairly compete with MTI to try to capture additional sales, and (3) are made  
3 for the purpose of influencing customers and potential customers to purchase  
4 InVue's products instead of MTI's products.

5 78. MTI, purchasers, and potential purchasers will continue to be injured as  
6 a result of the false representations detailed above unless InVue is enjoined from  
7 committing further acts of false advertising and unfair competition.

#### 8 **FIFTH CLAIM FOR RELIEF**

##### 9 **(California Business and Professions Code §§ 17200 *et seq.* and 17500)**

10 79. MTI fully incorporates by reference, as if set forth fully herein, the  
11 preceding paragraphs of this Complaint.

12 80. The foregoing acts and conduct of InVue described above constitute  
13 unfair trade practices and unfair competition under California Business and  
14 Professions Code § 17200 *et seq.*, and False Advertising under California Business  
15 and Professions Code § 17500.

16 81. InVue's acts have caused, and continue to cause, damage to MTI,  
17 including, but not limited to, incidental and general damages, lost profits, and out-  
18 of-pocket expenses. InVue should therefore be required to disgorge and restore to  
19 MTI all profits and other expenses that have been, and will be, incurred by MTI.

20 82. MTI further seeks an injunction enjoining InVue from continue to  
21 engage in such unfair business practices and false advertising.

#### 22 **PRAYER FOR RELIEF**

23 WHEREFORE, MTI prays for judgment against Defendant InVue  
24 Security Products, Inc., as follows:

- 25 a) A judgment for MTI for all causes of action asserted within this  
26 Complaint;

- 1 b) An injunction, pursuant to 35 U.S.C. § 283, permitting MTI to seize and  
2 destroy all infringing products, and enjoining InVue and anyone acting in  
3 concert with it, including, but not limited to, their agents, officers,  
4 servants, employees, attorneys and all persons in active concert or  
5 participation with InVue who receive notice of the order, from further  
6 acts infringing U.S. Pat. No. 9,786,140, including the continued use of the  
7 infringing products;
- 8 c) A judgment awarding MTI all damages, including treble damages, based  
9 on any infringement of the '140 Patent found to be willful, pursuant to 35  
10 U.S.C. § 284, together with prejudgment interest;
- 11 d) A judgment awarding MTI damages resulting from InVue's infringement  
12 of U.S. Pat. No. 9,786,140;
- 13 e) A judgment that U.S. Pat. No. 9,786,140 is valid and enforceable;
- 14 f) An injunction enjoining InVue and anyone acting in concert with it,  
15 including, but not limited to, their agents, officers, servants, employees,  
16 attorneys and all persons in active concert or participation with InVue  
17 who receive notice of the order, from continuing to make and publish  
18 false or misleading statements;
- 19 g) A judgment requiring InVue to correct any erroneous impression persons  
20 may have derived concerning the nature, quality, and characteristics of  
21 MTI's products stemming from InVue's false or misleading statements,  
22 including, but not limited to, the placement of corrective advertising on  
23 InVue's websites informing customers of its prior false or misleading  
24 statements regarding MTI's products;
- 25 h) A judgment awarding MTI in an amount sufficient to compensate it for  
26 the damage caused by InVue's unfair competition and false advertising;
- 27  
28

- 1 i) A judgment awarding MTI any and all profits InVue derived by reason of  
2 its unfair competition and damages;  
3 j) Such other relief as this Court deems just and proper.  
4  
5  
6

7 Dated: October 13, 2017

Respectfully submitted,

9 THOMPSON COBURN LLP  
10

11 /s/ Brian G. Arnold

12 Brian G. Arnold, CA 186007  
13 David B. Jenkins, MO 49254  
14 Matthew A. Braunel, MO 50711  
15 Alan H. Norman, MO 38555  
16 Steven E. Garlock, MO 38346  
17 Robert D. Gerlach, MO 67110  
18 2029 Century Park E #1900  
19 Los Angeles, CA 90067  
20 (314) 552-6000

21 *Attorneys for Plaintiff*  
22  
23  
24  
25  
26  
27  
28